Plot to declare Kashmir as an independent State

1071. SHRI N. E. BALARAM:

SHRI CHATURANAN MISHRA:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that following the recent riots in Kashmir, the intelligence agencies have unearthed a plot to declare Kashmir as an independent State;

(b) if so, what are the details of the plot unearthed by the intelligence agencies; and

(c) what is Government's reaction thereto and the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM): (a) No, Sir. No such plot has been unearthed.

(b) and (c) Does not arise.

FICCI Study on "World currency realignment impact on India"

1072. SHRI MAHENDRA PRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether the Federation of Indian Chamber of Commerce and Industry in a study entitled "World currency realignment-impact on India" projected a cumulative impact of volatile world currency alignments and consequential depreciation of Indian Rupee against major world currencies or the cost of various projects under implementation in India;

(b) if so, what are the precise projections made by FICCI in its study; and

(c) how far the study is in tune with Government's assessment of the situation?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) The Federation of Indian Chamber of Commerce and Industry has, in a paper entitled "Emerging World Trends-Relevance for India", referred, *inter-alia* to the overall implications of World currency alignment and the consequent depreciation in the value of rupee. The paper has expressed the view that the favourable impact of these factors on exports would be considerably nullified by higher import prices and suggested a number of steps to counteract the impact of rupee depreciation.

(c) In a regime of floating exchange rates, where the exchange value of the Rupee is linked to a basket of currencies, upward and downward adjustments is a normal phenomenon. Any increase in project costs consequent to such exchange rate changes is a natural outcome of such an arrangement and can also encourage efficient import substitution and hence greater self reliance. Nonetheless the Industrial Development Bank of India has recently notified a new scheme called "Exchange Risk Administration Scheme" which aims to provide a measure of insurance to borrowers of foreign currency loans from the Development Financial Institutions against exchange fluctuations.

Losses suffered by the STC due to fire in Vandana Building in New Delhi

1073. SHRI SURESH KALMADI:

SHRI RAJNI RANJAN SAHU:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government have inquired into the fire accident in Vandana building, New Delhi where STC office is located;

(b) if so, the details thereof; and

(c) the extent of damage caused to the